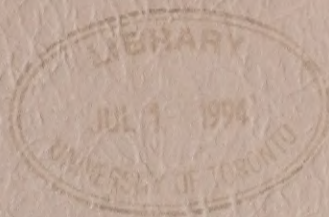


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Notes for an address by

**The Honourable Lloyd Axworthy, P.C., M.P.,
Minister of Human Resources Development**

**Creating Opportunity ...
Through Social Security Reform**

**The House of Commons
Ottawa, Ontario**

January 31, 1994



Check against delivery

I rise today, Mr. Speaker, to issue an invitation to Canadians, an invitation to join in rebuilding the social security, labour market, and learning framework of our country.

I am asking members of this House, and through them all Canadians, to join this government in developing an action plan for renewal of many of the basic elements of government programs and policies which cost many billions of dollars, and that, in one way or another, connect with the lives of virtually all Canadians.

I am asking the House and our colleagues in the Senate, our counterparts at the provincial and territorial levels, members of the business and labour sectors, the leaders of our communities -- indeed, each and every Canadian -- to throw off old ideas, put aside vested interests, and begin thinking of the kind of ground rules we need in Canada to restore fairness, hope, and a sense of security.

We have had social policy successes over the years. Dedicated Canadians designed and implemented programs which reflected our values of sharing and compassion. But the pace of change has overtaken our programs. Now, we must start fresh.

The October election revealed a consensus for change. Canadians, in overwhelming numbers, gave a mandate to the Prime Minister and his team to use the tools of government to put people back to work. No more passivity, indifference or avoidance. The message was clear. Jobs was the issue, and they wanted action.

The new government acted immediately, moving forward with a systematic approach to jobs. It spans a full range of government departments and policies. We launched the infrastructure program, set in motion new incentives for small business, a new approach to regional development, a national apprenticeship program and the Canadian Youth Service Corps. We are seeking new ways to capitalize on technology. And we are re-dialling the fiscal and monetary codes, in preparation for a new budget under the guidance of my colleague, the Minister of Finance.

But to fully meet the challenge of restoring employment as a central focus of government policy will require an overhaul of our existing systems, such as:

- unemployment insurance;
- training and employment programs;
- social assistance and income security;
- aid to education and learning;
- labour practices and rules affecting the workplace;
- taxes and premiums that affect job creation;
- management of programs in government and between governments; and
- delivery of services.

The purpose of such radical review and re-design is not to slash and trash. It is to renew and revitalize, to build a better system. Canada needs a social security network that makes meaningful connections between various programs; a system that rewards effort and offer incentives for work.

Still, there are those who say the objective is simply to cut costs. They are wrong. The purpose is to find out what really works so that people can work. It is a recognition that the present system doesn't meet today's realities. The evidence is obvious:

- a stubbornly high unemployment level; with large numbers staying out of work for longer periods;
- unacceptable levels of illiteracy;
- too many children in poverty (earning Canada a rebuke from the United Nations last year); and,
- a generation of young people facing increasing difficulty in finding meaningful employment.

We have a country which is increasingly divided between those with secure, well-paying jobs and those doing part-time, low-paid intermittent work - a society that no longer rewards educational enterprise by our young people - a society that has abruptly changed the rules for older workers.

We must redirect the ways we invest in people to create hope and end dependency. We must recognize that this investment in people is the key to both our economic, and our social renewal. We must redefine our rules of social fairness and restore a sense of security to individuals.

Let me set out two sets of goals for the Action Plan. **First**, we must clearly confront the issues that face us now:

- long-term high structural unemployment, even in times of economic growth;
- impact of accelerated technological change on the labour market and training systems;
- unacceptably high drop-out rates, illiteracy levels and skill shortages;
- the unrealized potential of a generation of youth with diminishing opportunities;
- a growing incidence of poverty, especially among children;
- tension between changing family structures and the demands of the workplace;
- a downsizing mindset in the corporate world which is not only damaging to workers, but as new research is finding, is not achieving the expected efficiencies for employers;

- duplication among government programs; and
- limited capacity of governments to provide assistance and security.

Over the coming weeks, we will be listening to Canadians. We will ask them to help us define the issues and set the priorities.

Second, the Action Plan will propose clear options for change that will:

1. meet basic labour market insurance and adjustment needs;
2. restructure parts of the Unemployment Insurance Program and the Canada Assistance Plan to create a new form of employment insurance;
3. help people make the crucial school-to-work transition by providing a range of options in training, apprenticeship, community service, and work;
4. broaden educational and training assistance to support life-long learning;
5. enhance support and care provisions for children;
6. redefine the distribution of work and rules of the workplace;
7. ensure that individuals with disabilities can achieve equality, independence, and full participation;
8. seek a better balance between incentives for job creation and payroll tax levels;
9. ensure basic security for those in need;
10. redefine responsibilities between governments and strengthen cooperative arrangements to achieve savings through greater efficiency;
11. design new "smarter" ways to deliver services and avoid duplication.

This list is not exhaustive. Canadians will have the opportunity to react to the Action Plan and introduce changes. This will require extensive public discussion and continued interaction with provincial and territorial governments. This phase should be completed by early fall. We will then move to legislation for a new employment-social security system.

To carry out this task, I am announcing the following process:

1. Today, I am tabling a motion asking the House to direct the soon-to-be formed **Standing Committee on Human Resources Development** to begin a two-stage examination of the proposed reform:

- The **first stage**, lasting to April, where Canadians can be given a chance to express their views, hopes and concerns about social security and the job market. This will form an important part of the preparation of the Action Plan.
- The **second stage**, where I will present an **Action Plan** setting out the options and choices which the committee could consider until September - using the widest possible means of public dialogue.

Parliamentary consideration of actual legislation will take place later in the fall or early in the next year.

2. Running parallel to this process, there will be extensive **discussions with provincial and territorial governments**. They are our partners. Several provinces have already embarked on major exercises of reform. They are all expressing an interest in cooperation. We must mesh our efforts in a combined, collaborative way so that changes at the federal level complement those at the provincial level. We hope to begin that exercise at a federal-provincial ministers meeting on February 14th.
3. In addition to these discussions, we would like to work with the provinces in establishing agreements, joint ventures and pilot projects to test new approaches to employment insurance, training, assistance - all designed to avoid duplication, achieve savings and improve performance. To do this, it may be necessary to ask Parliament to alter the Unemployment Insurance Act and the Canada Assistance Plan Act to provide authority for such innovative federal/provincial collaboration.
4. We also want to engage key sectors of society in developing their own views, proposals and ideas. Business, labour, equity, aboriginal organizations and other social and community groups in the private and voluntary sectors will be invited to participate as will the Canadian Labour Force Development Board, the Canadian Labour Market and Productivity Centre, the National Council of Welfare, the National Advisory Council on the Status of Women, to name a few, and we will seek their counsel. We will assist those groups who would not otherwise have the resources to contribute fully to the process.


A thorough study of the distribution of work and the rules of the workplace will be led by leaders from the labour and business sectors. It is clear that there are too few jobs. However the challenge lies not only in the number of jobs, but also their distribution. A new definition of work is needed to correspond with changes in the labour market and family structures.

5. To help me pull together all the elements of this process, I will chair a small task force comprised of Canadians who have been working on and involved in matters of social security and employment reform over the years. The names will be announced shortly and they will be carefully selected to ensure that we have as good a representation of views as possible.

This is an ambitious plan. It has a tight timetable. It engages us in a complex task. And it will result in major change. But, it is worth doing. It needs doing. Canadians want us to do it. It is the reason for government - to give leadership - to mobilize energy - to foster a common will to improve our common lot.

If we work well, if we work together, we can do much to renew this country, to give Canadians a sense of our own uniqueness as a country where people care for each other and share opportunity.

We can prepare ourselves for new global challenges. We can look to the new century with hope. Our people are our strength. It is to our people that we must look for guidance. Together, we can build a good life for ourselves and our families.



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